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C O N F I D E N T I A L KATHMANDU 002732

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SUBJECT: NORWEGIAN/DANISH AMBASSADORS FAVOR MAOIST

ENGAGEMENT OVER ALIENATION

Classified By: Charge d'Affaires Nicholas J. Dean. Reasons 1.4 (b/d)

## SUMMARY

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11. (C) In a luncheon October 12 with SCA/INS Director Marcia Bernicat and Charge, Ambassador Finn Thilsted of Denmark and Ambassador Tore Toreng of Norway stressed the need for Maoist outreach and engagement to ensure a viable peace process, while Indian Political Counsellor Prabhat Kumar remained consistent with the U.S. position on the need for arms management first. Both Ambassadors expressed hope that the international community could put forth a unified message in response to whatever peace settlement results from ongoing summit talks. Danish Ambassador Thilsted challenged the U.S. on its arms management focus, and all guests were curious as to the U.S. planned response for potential Maoist entry into government.

ENGAGING MAOISTS AS MEANS TO ADVANCE A VIABLE PEACE PROCESS

- 12. (C) In October 12 discussions, SCA/INS Director Bernicat asked the Danish and Norwegian Ambassadors and Indian Political Counsellor Kumar for their reaction to a recommendation Joint Secretary Battarai had made that the U.S. should engage the Maoists as a means to influence their positive participation in the peace process. The Norwegian and Danish Ambassadors agreed emphatically with this notion as the viewpoint of their own governments. As long as the Maoists subscribe to international norms as participants in the negotiation process, both Ambassadors felt that engagement and outreach to the Maoists was central to advancing the peace process.
- 13. (C) The Norwegian Ambassador said Maoist engagement may provide an opening to answer many unknowns--e.g. Maoist political intentions and plans and policies vis-a-vis issues such as economics and security. He also mentioned that engagement could assist in reducing the potential of internal Maoist splits--ensuring that recognized Maoist leadership would have the clout to negotiate a transition process. The Danish Ambassador reiterated that, since the Government of Nepal recognized the Maoists as a negotiating partner, the international community must do the same. Charge said Maoist engagement assumed Maoists were responsible participants in

the peace process, and ignored the reality of continued Maoist intimidation and fear tactics in violation of the ceasefire code of conduct.

THE DANGEROUS SIDE OF MAOIST ENGAGEMENT: WORTH THE RISK?

- 14. (C) Bernicat raised the potential dangerous side of Maoist engagement, stating that perhaps the Maoists had no intention of positive participation in a transitional governance structure but were rather orchestrating the full realization of their power-holding agenda. Bernicat said the Maoists, despite recent rhetoric, may remain tied to an ideologue agenda rather than genuinely wish to engage as political pragmatists as the Norwegian and Danish Ambassadors assumed. The Danish Ambassador said that in meetings he held with Maoist Chairman Prachanda, he felt the leadership had a genuine interest in peaceful and democratic solutions and in joining the political mainstream. He also emphasized that the Maoists did not have the capacity (arms, personnel) nor the influence over the Nepali population to turn Nepal into a Maoist state.
- 15. (C) The Norwegian Ambassador said the international community could not be sure of Maoist intentions without letting the peace process unfold. He reiterated the need to "trust the process" and if there were indeed a "negative outcome" the international community could then provide the needed oversight and influence to check Maoist aggression.

CHALLENGING THE U.S. ON ARMS MANAGEMENT FOCUS

- 16. (C) Danish Ambassador Thilsted questioned the U.S. focus and repetitive public pronouncements on the arms management
- issue, asserting that it put the U.S. in a sticky situation if the Maoists do come into government and that the Nepali population was increasingly frustrated at what they perceived as U.S. meddling in a Nepali-owned process. Ambassador Thilsted thought U.S. statements were perceived as a one-issue agenda rather than reflecting wider U.S. interest in a legitimate transition process leading to multi-party democracy. He expressed little concern over Maoists retaining arms, emphasizing that the Maoists' entry into government would force their accountability.
- 17. (C) Charge responded that the U.S. was speaking up where the GON could not due to Maoist intimidation. He reiterated the danger to the peace process and to any transitional governance scheme if the Maoists were accepted with arms. Indian Political Counsellor Kumar seconded this sentiment.

MAOISTS IN GOVERNMENT: WHAT HAPPENS NEXT?

- 18. (C) All three diplomats were interested in U.S. plans for a possible Maoist entry into government. The Norwegian Ambassador urged a unified donor response to any agreement as a powerful oversight mechanism for the implementation process. He mentioned that the EU was already devising a joint approach and both the Norwegian and Danish Ambassadors referenced ongoing planning within their offices and development agencies regarding Maoist entry into government.
- 19. (C) Charge and Bernicat emphasized the particular U.S. policy and legislative contraints present in regard to Maoist entry into government. Charge mentioned U.S. consideration of what response would be needed in the event of Maoist entry, and emphasized that the parameters by which the Maoists entered government (e.g. with or without arms, in cantonment sites, etc.) would likely influence U.S. response.

## COMMENT

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110. (C) As Bernicat has heard in various consultations, many believe the only way to force Maoist accountability is

through engagement and their entry into governance structures. While Ambassador Thilsted brushed off the assertion that the Europeans may be displaying "naivete" in accepting that the Maoists had honorable intentions, their plan to "wait and see" how events unfold and then deal with any negative consequences leaves something to be desired.

- 111. (C) With the imminent potential of summit results, the U.S. dilemma on Maoist engagement necessitates quick contingency planning regarding Maoist entry into government, including legislative and policy parameters that would need to be addressed under various scenarios. If a settlement does occur, the Danish and Norwegian Ambassadors seem eager to work with the U.S. on a joint message, underscoring a shared interest in multi-party democracy in Nepal and shying away from any diverse viewpoints on the arms management issue. To respond quickly to summit results and pursue joint messaging with international partners, the USG will need policy clarity regarding the U.S. ability to engage a GON that includes Maoists.
- $\underline{\mathbb{1}}$ 12. (U) SCA/INS Director Bernicat did not have an opportunity to clear this message. DEAN